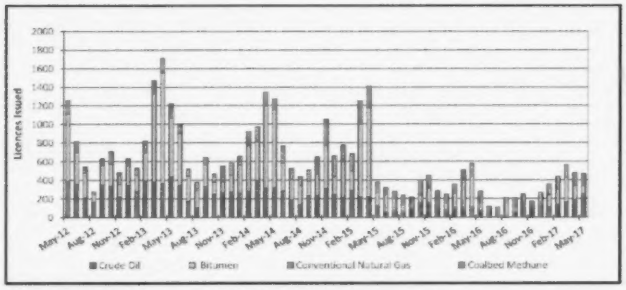
October 2017 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 325 well licenses in May 2017, up 56% from the 208 well licences issued in May 2016.

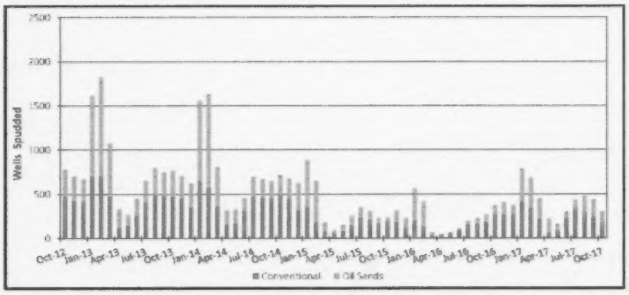
There were 165 licences issued for crude oil in May 2017, up 211% from the 53 crude oil licences issued in May 2016. Horizontal Well licences accounted for 94% of the crude oil licences issued in May 2017 with a total of 155 licences.

There were 105 natural gas well licenses issued in May 2017, up 33% compared to the 79 licences reported in May 2016. Horizontal Well licences accounted for 100% of natural gas well licenses issued in May 2017.

May 2017			
Licenced Wells	**Drilling Type**	**Total Licences**	**Per cent of Total Licences**
Natural Gas	Horizontal	105	32%
	Vertical/Direct	-	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	155	51%
	Vertical/Direct	10	
Bitumen	Horizontal	28	17%
	Vertical/Direct	27	
	Evaluation	-	
Total		**325**	**100%**

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



For the January to October 2017 period, spuds from conventional wells were up 85% while oil sands spuds were up 79% compared to the same period in 2016.

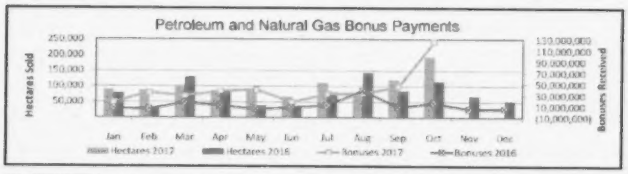
However, with a total of 302 spuds for the month of October 2017, activity decreased 19% compared to October 2016 when there were 374 spuds.

Note: Data for the November 2017 is only partially complete. Therefore, October 2017 data includes the most current complete monthly results.

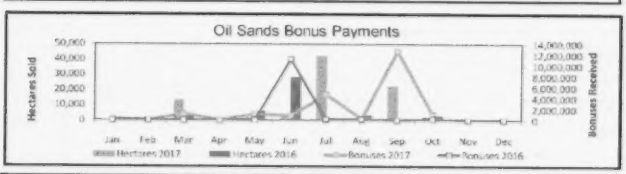
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Conventional	759	705	532	110	181	339	579	680	690	679	700	464	**6,439**
	Oil Sands	1053	1298	786	131	153	186	236	288	329	277	274	280	**5,291**
2012	Conventional	689	650	370	135	169	278	430	466	479	474	423	412	**4,975**
	Oil Sands	1083	1374	610	141	206	241	274	319	305	308	284	263	**5,408**
2013	Conventional	703	700	471	112	137	264	412	484	480	476	456	343	**5,038**
	Oil Sands	913	1126	608	227	133	188	243	317	267	289	250	277	**4,838**
2014	Conventional	648	578	362	161	170	317	472	464	452	493	448	321	**4,886**
	Oil Sands	914	1058	450	159	165	142	226	210	193	223	229	305	**4,274**
2015	Conventional	349	186	73	52	77	141	236	212	164	190	186	126	**1,992**
	Oil Sands	538	465	109	43	76	114	116	104	70	50	135	103	**1,923**
2016	Conventional	197	131	31	40	48	89	152	158	186	264	274	271	**1,842**
	Oil Sands	371	289	37	9	16	20	40	75	82	110	132	107	**1,288**
2017	Conventional	419	342	213	60	89	230	339	300	234	173			**2,399**
	Oil Sands	376	341	236	167	76	70	97	176	207	129			**1,875**

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales



In October 2017, the province received about $126.4 million as bonuses from the sales of 193,822 hectares of the petroleum and natural gas rights with an average price of about $652 per hectare. Petroleum & Natural Gas land sales this year have been stronger than expected due to growing interest in newer, emerging areas, such as the Duvernay and Montney. In October, the province had one of its highest bonuses at a single sale for nearly six years at approximately $125 million.



In October 2017, bonuses from oil sands sales were $1.02 million from the sales of 1,964 hectares with an average price of about $513 per hectare.

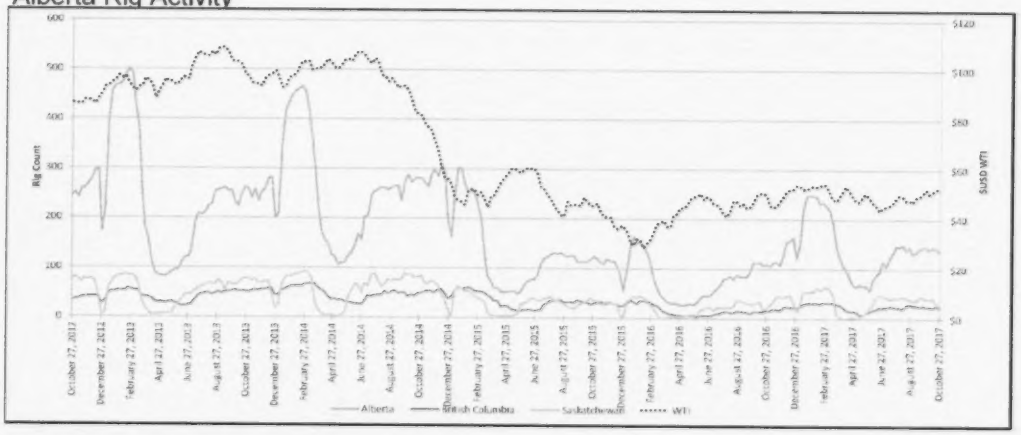
Between January and October 2017, Alberta received a total of about $436.8 million in bonuses from the sales of 1,097,925 hectares of petroleum and natural gas and oil sands land sales combined, compared to about $138.1 million received from the sales of 861,638 hectares in the same period a year before. Average price per hectare has increased from about $160 in January - October 2016 to about $398 in the same period in 2017.

Petroleum and Natural Gas Rights	Oct-17	Oct-16	YTD 2017	YTD 2016
Bonuses	$126,365,121.25	$15,560,917.01	$414,502,072.40	$126,255,332.35
Hectares	193,822	115,604	1,012,225	817,485
Average Price per Hectare (Cdn$)	$651.97	$134.61	$409.50	$154.47

Oil Sands Rights	Oct-17	Oct-16	YTD 2017	YTD 2016
Bonuses	1,018,678	195,441	$22,313,786.95	11,779,836
Hectares	1,984	2,752	85,700	44,153
Average Price per Hectare (Cdn$)	$513.45	$71.38	$260.37	$266.80

Source: Alberta Energy

Alberta Rig Activity



Canadian Drilling	Drilling Oct 27, 2017	Compared to the Previous Week	WTI (US$/bbl)
Alberta	136	-5	$ 52.62
Saskatchewan	25	-5	
British Columbia	23	-2	
Canada	191	-11	

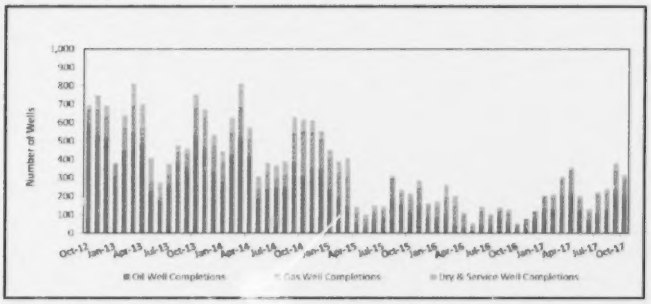
Source: Baker Hughes

Despite the fact that the rig activity in Alberta decreased by 5 to 136 rigs for the week of October 27, 2017, it was 27 rigs (24.8%) higher than during the week of October 28, 2016 about one year ago. With total counts of 43 weeks in both 2016 and 2017 for the January-October period, activity in Alberta was up 86% from an average of about 76 rigs drilling during January-October 2016 to an average of about 142 rigs drilling during January-October 2017.

In Canada, the number of rigs drilling decreased by 11 to 191 for the week of October 27, 2017 but was 38 rigs (24.8%) higher than one year ago. Canadian rig activity was up 77% from an average of about 117 rigs drilling during January-October 2016 to an average of about 207 rigs drilling during January-October 2017.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year over year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 313 wells completed in October 2017, up by 262 (514%) from 51 wells completed in October 2016.

Year to date January-October oil well completions were up 1012 (184%) to 1,562 in 2017 from 550 of the same period in 2016 and gas completions were up 264 wells (46%) to 837 in 2017 compared to the 573 well completions of same period in 2016.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011	Oil Wells	226	353	650	419	602	269	105	451	1030	626	559	568	**5,798**
	Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	**3,588**
	Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	**1,223**
2012	Oil Wells	215	489	516	405	396	205	348	380	447	588	533	523	**4,945**
	Gas Wells	131	181	148	141	82	12	46	98	65	81	137	110	**1,210**
	Dry & Service	35	48	55	1:	128	37	94	63	12	23	80	59	**760**
2013	Oil Wells	313	449	544	481	30	179	263	394	357	528	463	333	**4,534**
	Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	**1,117**
	Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	**757**
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	**3,980**
	Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	**1,498**
	Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	**826**
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	**1,523**
	Gas Wells	166	134	166	52	42	45	44	108	65	75	93	63	**1,053**
	Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	**415**
2016	Oil Wells	88	106	43	30	11	48	46	87	64	27	51	81	**682**
	Gas Wells	55	90	106	69	29	75	47	35	47	20	26	37	**636**
	Dry & Service	29	64	51	14	11	21	10	17	15	4	2	1	**239**
2017	Oil Wells	133	126	205	220	121	69	109	131	234	211			**1,562**
	Gas Wells	64	67	88	124	64	45	99	94	107	85			**837**
	Dry & Service	8	13	13	12	15	16	14	15	39	17			**162**

Source: JuneWarren-Nickle's Energy Group